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ABSTRACT

Based mainly on Current Population Survey 1969-1974 data, the report examines recent trends of overtime work, the impact of overtime work on earnings, and the current and past composition of the overtime force. In May, 1974 about 16.1 million workers, one out of every five employed persons, reported working more than 40 hours in his/her principal job; 6.7 million of this number received premium pay for their work. Although one-half of overtime persons were white-collar workers, only one-fifth of these workers received overtime pay. Blue-collar workers accounted for two-fifths of the persons on extended workweeks; nearly three-fourths of the workers received premium pay. Male workers were almost three times as likely as women workers to work overtime. White men were more likely to work overtime than blacks; however, black men were more likely to receive premium pay for overtime hours. A greater percentage of union members (one-fifth of all overtime workers) received premium pay than nonunion members. The proportion of employees working overtime with premium pay varied widely among different industries and occupations. Relatively little growth in the number of overtime workers was shown for the six-year period. (EA)

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Trends in overtime hours and pay, 1969-74

Special Labor
Force Report 179

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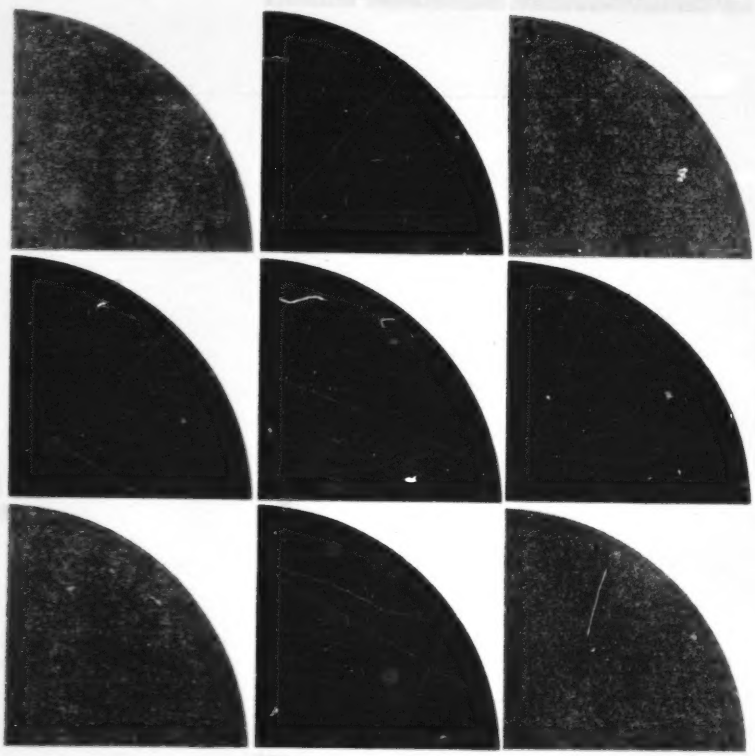

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Trends in overtime hours and pay, 1969-74

Special Labor Force Report shows that persons who usually work overtime are less likely to collect premium pay than those whose overtime is only occasional

DIANE N. WESTCOTT

A 40-HOUR WEEK is hardly the limit for many workers. In May 1974, about 16.1 million workers, or one out of every five employed persons reported working more than 40 hours in his or her principal job. About half of the overtime workers were working 1 to 8 hours in excess of the "standard" workweek; another third from 9 to 19 extra hours; and a fifth 20 or more extra hours a week. Of those who worked overtime, only 6.7 million received premium pay for their efforts.

This article examines (1) the recent trends in overtime work, (2) the impact of overtime work on earnings, and (3) the current and past composition of the overtime work force.[1] The study is based mostly on data collected through the Current Population Survey in May of 1969 through 1974.[2]

1969–74 trends

Not all work in excess of 40 hours can be regarded as "overtime" in the sense in which this term is used by workers who punch a clock upon starting and ending their daily work and who would generally receive a premium rate for more than 40 hours of work a week. In fact, as shown in table 1, one-half of the persons on extended workweeks are white-collar workers. Only one-fifth of white-collar workers, however, receive premium pay for work over 40 hours.[3] Blue-collar workers account for only two-fifths of the persons on extended workweeks, but nearly three-fourths of the blue-collar workers on overtime receive premium pay, either time and a half or double time, for working more than 40 hours.

Overall trends in overtime reveal the contrasting movements of white- and blue-collar workers. Whether because their extended workweeks seldom entail the payment of any premium pay or whether because of other factors, the number of white-collar workers on extended workweeks does not show much sensitivity to changes in general economic conditions. On the other hand, the number of blue-collar workers putting in more than 40 hours has shown large cyclical fluctuations in recent years. Table 1 shows the number of such workers dropped from nearly 6.8 million in May 1969 to 5.6 million in May 1971. It then rose to a peak of 7.2 million in May 1973, before receding to 6.5 million by May of 1974. Also illustrative of this cyclical trend are the data in the same table on overtime in manufacturing, which has been historically regarded as one of the most sensitive indicators of the current, as well as the prospective, demand for labor resources.

While the Current Population Survey data on overtime provide considerable information on the *number and characteristics of workers* receiving premium pay for overtime work, they cannot measure with any precision the *average number of overtime hours* worked in any industry. For manufacturing industries, however, the average overtime

Table 1. Persons working overtime by major occupation and industry classifications

[Numbers in thousands]

Occupation and industry	May 1969	May 1970	May 1971	May 1972	May 1973	May 1974
Total	15,810	14,554	14,611	15,717	16,828	16,144
Occupation						
White collar	7,280	7,059	7,219	7,692	7,906	7,988
Blue collar	6,757	5,870	5,648	6,338	7,200	6,503
Service	1,316	1,210	1,361	1,339	1,338	1,208
Farm	455	416	383	348	384	444
Industry						
Goods producing[1]	6,832	5,942	5,632	6,246	7,118	6,567
Manufacturing	5,303	4,472	4,158	4,833	5,478	4,957
Service producing[2]	8,978	8,612	8,979	9,471	9,710	9,577

[1] Goods-producing industries include agriculture, mining, construction, manufacturing, and forestry and fisheries.

[2] Service-producing industries include transportation and public utilities, finance, insurance, and real estate, service, public administration, and trade.

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hours worked by production workers are available from another source—the BLS establishment survey, which is based on payroll records of employers.[4] The latter measurement has moved in tandem with the CPS data, both during the 1969–71 decline and in the subsequent recovery of economic activity.

Over the long term, there are, of course, many considerations other than the cyclical changes in the demand for a firm's products which govern an employer's use of overtime work. Such considerations include the alternative costs of hiring and training new workers, the effects of legislation dealing with overtime, and the treatment of overtime in union-management agreements. The effect of government regulations, largely the Fair Labor Standards Act, has generally been to require the payment of premium pay for overtime in more and more industries and occupations. The 1974 amendments to the act, in fact, extended coverage to an additional 7.4 million workers in May 1974; the largest segment to fall under protection were additional public employees.[5] Of the Nation's 77 million wage and salary workers, approximately 57 million are presently subject to the act's provisions concerning overtime. The most notable exceptions are executives, administrative and professional workers, a few public employees, agricultural workers, outside salesmen, and most drivers.

The impact of union-management agreements on overtime work generally has been to make it ever more rewarding for workers and more costly for employers. These agreements may thus be regarded as incentive for the employer to limit the use of overtime and, instead, to hire more workers. Recently, there have also been strong efforts by unions to gain the right for workers to turn down overtime work in cases where overtime has been considered excessive and where workers did not previously possess that right. This issue was one of the most crucial in the recent negotiations between the United Automobile Workers and the auto producers. The settlements in the industry in October 1973, for the first time, gave workers the right, under certain conditions, to refuse further overtime work after a given number of overtime hours in a week.

The fact that over the past 6 years there has been relatively little growth in the number of persons working overtime, despite substantial growth in total employment, is an indication of the increased value workers place on shorter workweeks rather than additional income.[6]

Premium pay for overtime

The principle that workers should be paid a premium rate for overtime hours is well entrenched in labor law and collective bargaining agreements. It supports the idea that a reasonable work period exists and that any work over that limit, whether at night, on the weekend, holidays, or anytime outside of the regularly scheduled hours, is subject to a higher rate.

Of the 16.1 million wage and salary workers on extended hours in May 1974, only 6.7 million were reported as receiving extra compensation for their overtime work. Receipt of premium pay, however, was much more prevalent among persons who worked overtime only occasionally than among those for whom overtime work was a general routine. Only one-third of the persons who usually worked overtime received premium pay, compared with two-thirds of those for whom overtime work was only an occasional practice. (See table 2.) The person most likely to work more than 40 hours a week is also least likely to collect premium pay. The probability of receiving premium pay for extra hours also declines as the number of hours increases; while more than one-half of persons usually working 41 to 48 hours a week received compensation, only one-fifth of the jobholders who usually worked 60 hours or longer received premium pay.

These relationships, however, largely result from occupational differences. They reflect the fact that a particularly large proportion of the people who usually work overtime, and of those who put in the longest workweeks, are in white-collar occupations where the payment of premium pay for overtime work is the exception. Of the persons who reported working extra hours in May 1974, over three-fourths of the white-collar workers but less than two-thirds of the blue-collar workers reported they usually worked overtime.

Weekly earnings

When the earnings distributions of workers with overtime pay and of average full-time workers are compared, it becomes evident that workers with overtime pay are more concentrated in the middle-earning brackets, those between $100 and $300 a week. Apparently overtime wages raise workers' income from the lowest level, but are not sufficiently large to push them into the uppermost brackets. (See

Table 2. Proportion of overtime workers receiving premium pay, by hours worked

(Numbers in thousands)

Hours worked	May 1969		May 1970		May 1971		May 1972		May 1973		May 1974	
	Total worked overtime	Percent receiving premium pay	Total worked overtime	Percent receiving premium pay	Total worked overtime	Percent receiving premium pay	Total worked overtime	Percent receiving premium pay	Total worked overtime	Percent receiving premium pay	Total worked overtime	Percent receiving premium pay
Total who worked 41 hours or more	15,810	43 1	14,554	41 0	14,611	37 4	15,717	40 9	16,828	42 7	16,144	41 5
Usually worked 41 hours or more	12,050	37 3	11,061	33 6	10,956	30 1	11,743	33 3	11,957	31 9	11,645	32 3
Did not usually work 41 hours or more	3,759	61 6	3,492	64 5	3,655	59 4	3,974	63 2	4,870	69 3	4,499	65 5
Worked 41 to 48 hours	7,960	51 9	7,266	51 1	7,254	48 5	7,627	53 1	7,924	54 4	7,504	53 6
Usually worked 41 hours or more	5,276	44 8	4,782	42 4	4,638	39 8	4,836	44 6	4,574	41 0	4,428	42 3
Did not usually work 41 hours or more	2,684	65 8	2,484	67 8	2,616	64 0	2,791	67 8	3,350	72 7	3,077	69 8
Worked 49 to 59 hours	4,913	40 5	4,579	37 1	4,524	32 1	5,036	34 9	5,602	39 1	5,439	37 0
Usually worked 41 hours or more	4,148	37 1	3,820	32 4	3,774	28 0	4,180	30 4	4,431	32 5	4,387	32 0
Did not usually work 41 hours or more	765	59 1	759	60 2	750	52 4	856	56 8	1,171	64 1	1,052	57 9
Worked 60 hours or more	2,937	23 4	2,709	20 6	2,833	17 5	3,053	20 3	3,302	20 7	3,200	21 0
Usually worked 41 hours or more	2,627	22 5	2,459	18 2	2,544	15 5	2,727	17 9	2,952	16 7	2,831	16 9
Did not usually work 41 hours or more	310	31 3	250	44 0	289	35 6	327	40 4	350	54 0	369	52 3

table 3.) This tends to explain why the median weekly earnings of both male and female workers with overtime pay are not significantly different from the earnings of the average full-time workers of the same sex.

Not only is the proportion of women working overtime relatively small, but their weekly earnings, even with overtime pay, remain relatively low. About two-thirds of the women on overtime in May 1974 were earning less than $150 weekly. Only 12 percent of the women workers receiving premium pay earned $200 or more per week. By contrast men working overtime averaged $209 a week.

Since men (whose earnings exceed women's by a wide mark) comprise over four-fifths of all persons receiving some overtime pay, the earnings average for the entire group of overtime workers (men and women combined) exceeds that for all full-time workers. It is for the same reason that the average earnings of all whites and of all blacks with overtime pay exceed those of the average full-time worker of their respective racial group.

Only among black men do workers receiving premium pay for overtime have substantially higher median earnings ($179) than the full-time workers of the same sex-color group not receiving overtime pay ($160). The greater concentration of black men in low skill blue-collar and service occupations, where premiums are more often paid, is the principal explanation for this. By comparison, white men are more heavily represented in white-collar occupations, where overtime premiums are seldom paid but regular salaries are relatively high.

Demographic characteristics

Male workers are almost three times as likely as women workers to work overtime. The proportion of men with some overtime has averaged close to 30 percent in recent years; in contrast, only one-tenth of the women workers put in 41 hours or more a week. However, the proportion receiving premium pay for working overtime was not much different—42 percent for men, 40 percent for women in May 1974. (See table 4.)

Of the 16 million persons working overtime in May 1974, about 13.1 million persons, or 81 percent were men, age 25 to 54. Only 3.5 percent of all wage and salary workers on extended workdays were teenagers because extensive overtime among them is prevented by labor and school attendance laws. It should also be noted that the percentages of men and women age 55 years and over working overtime have declined steadily since 1969, from 28.7 to 23.3 percent among men and from 14.1 to 9.8 percent for women.

As shown in table 4, the probability of receiving premium pay for overtime is inversely related to a worker's age. Such a relationship stems largely from occupational differences. Younger workers are generally concentrated in production and nonsupervisory jobs where the probability of receiving premium pay

for overtime hours is greatest. By contrast, many of the adults on overtime are supervisory or administrative staff, which typically does not receive such premiums. For teenagers and young adults (20–24) combined, the proportion receiving premium pay in May 1974 was 56 percent; this figure compares to 38 percent for those workers 25 years and over.

Though white men are more likely to work over 40 hours than blacks, black men have generally been more likely to receive premium pay for their extended hours. Among women, on the other hand, racial differences in the frequency of overtime work or the likelihood of receiving premium pay have not been as pronounced or consistent.

The proportion of women working overtime is about the same among the married as among the single—around 9 percent in May 1974. Among men, 32 percent of the married workers but only 17 percent of the single were working overtime. A greater proportion of single men received premium pay as opposed to those men who were married, while among the women the married ones were more likely to receive extra compensation for their overtime work than the single ones.

Union membership

Beginning in 1973 questions on union membership were included in the Current Population Survey for May. Of the 16.1 million workers on overtime, about 1 in 5 reported belonging to a labor union. Although relatively few of the workers on extra long workweeks belong to a union, the data show that union members were more likely to receive premium pay. Of the union members working 41 to 48 hours a week, 8 out of 10 received premium pay. Only 6 out of 10 union members who worked 60 hours or more received premium pay. (See table 5.)

About 24 percent of the men and 13 percent of the women on extended workweeks in May 1974 were union members. These workers were much more likely to receive premium pay than the average worker on overtime. In fact, two-thirds of all union members who usually worked overtime were reported as receiving premium pay for overtime hours.

As shown in table 5, union members comprise a greater proportion of the overtime work force in the goods-producing industries—31 percent—as compared with 15 percent in the service-producing sector.[7] Receipt of premiums was high in both sectors; nevertheless, the proportion of union workers receiving premium pay in the goods-producing industries was 91 percent, substantially above the 56 percent which received premiums in the service sector. In comparison, about half the percentage of nonunion workers in both the goods- and service-pro-

Table 3. Weekly earnings of persons with overtime pay and of all full-time workers, May 1974

[Percent distribution]

Earnings	Total	Male	Female	White			Negro and other races		
				Total	Male	Female	Total	Male	Female
	Overtime workers receiving premium pay								
Number (in thousands)	6,705	5,480	1,225	6,308	5,083	1,138	483	397	86
Median earnings (in dollars)	187	203	128	189	205	129	170	179	117
Percent earning—									
Under $100	7.0	3.8	21.7	7.0	3.4	21.2	11.6	8.1	27.9
$100–$149	22.5	17.3	45.9	22.4	16.8	45.7	28.4	23.9	48.8
$150–$199	26.0	27.3	20.4	26.0	27.3	20.9	24.6	26.7	15.1
$200–$299	32.8	37.8	10.8	33.0	38.4	11.0	26.3	30.2	8.1
$300–$399	8.7	10.4	1.1	8.8	10.6	1.2	6.2	7.6	0
$400 or more	2.8	3.5	0	2.8	3.5	0	2.9	3.5	0
	All full-time workers								
Number (in thousands)	50,238	32,477	17,852	44,634	29,174	15,460	5,695	3,302	2,392
Median earnings (in dollars)	169	204	124	173	209	125	140	160	117
Percent earning—									
Under $100	14.3	6.4	28.6	13.2	5.6	27.5	23.0	14.1	35.3
$100–$149	25.3	18.4	37.7	24.3	17.1	37.8	32.8	29.6	37.2
$150–$199	22.0	23.2	19.9	22.1	23.0	20.5	21.3	25.1	16.1
$200–$299	25.7	33.4	11.6	26.7	34.5	11.9	17.7	23.8	9.2
$300–$399	8.3	12.0	1.6	8.9	12.8	1.6	3.8	5.5	1.5
$400 or more	4.4	6.5	.6	4.8	7.1	.6	1.4	1.9	.5

Table 4. Percent working overtime and receiving premium pay by sex, age, race, and marital status

[In percent]

Characteristics	May 1969		May 1970		May 1971		May 1972		May 1973		May 1974	
	Working overtime	Receiving premium pay	Working overtime	Receiving premium pay	Working overtime	Receiving premium pay	Working overtime	Receiving premium pay	Working overtime	Receiving premium pay	Working overtime	Receiving premium pay
MALES	32.0	44.2	29.4	42.5	28.3	38.5	29.6	41.4	29.8	43.3	28.3	41.9
Age: 16–19 years	10.2	52.3	11.5	51.6	10.5	48.0	10.4	52.5	11.4	52.2	11.4	58.4
20–24 years	29.7	58.9	25.6	59.1	26.7	53.8	29.6	56.1	27.1	55.0	28.2	58.0
25–54 years	35.4	43.4	32.8	41.7	31.8	36.9	32.9	39.3	33.7	41.2	31.7	38.1
55 years and over	28.7	36.5	25.3	32.0	24.2	31.9	25.6	36.7	25.3	41.3	23.2	41.3
Race: White	32.9	43.5	30.2	41.8	29.6	38.0	30.8	40.5	31.3	42.7	29.7	41.3
Negro and other races	24.0	52.4	21.9	50.7	17.5	45.5	19.3	54.7	17.1	51.7	16.2	50.9
Marital status: Married, spouse present	35.1	44.2	32.0	42.2	31.4	38.4	33.1	40.6	33.1	42.6	31.6	40.2
Single	18.2	43.4	17.4	43.5	16.9	38.6	17.2	47.7	17.7	47.0	17.1	51.0
Other	29.0	44.9	30.0	44.1	24.5	39.0	26.7	40.8	28.1	45.1	26.0	46.4
FEMALES	12.2	38.5	10.5	34.7	10.9	33.1	11.1	38.5	10.9	40.3	9.9	40.1
Age: 16–19 years	5.0	61.5	3.8	43.0	4.4	40.7	3.8	52.4	4.6	45.3	4.3	57.6
20–24 years	12.2	43.0	10.1	46.0	9.8	37.6	10.8	44.3	10.7	49.2	10.1	47.5
25–54 years	12.7	41.2	10.9	35.8	11.6	34.8	12.1	39.6	11.5	40.6	10.7	39.9
55 years and over	14.1	21.7	13.6	21.8	13.3	22.6	12.6	26.4	12.9	30.6	9.8	27.0
Race: White	12.3	39.3	10.8	34.9	11.3	33.4	11.4	38.6	11.2	40.2	10.3	40.7
Negro and other races	11.3	32.4	8.6	33.7	8.0	29.9	9.0	38.6	8.5	41.3	6.5	33.3
Marital status: Married, spouse present	11.4	42.1	9.7	37.4	10.4	36.1	10.5	40.6	9.7	45.5	9.4	41.7
Single	11.6	32.5	9.4	27.0	10.0	27.6	10.0	32.4	9.7	32.8	8.4	33.9
Other	15.3	35.8	14.6	35.4	13.3	31.1	14.5	39.4	16.3	36.2	12.9	41.7

ducing industries received such compensation.

In every industry except services, and finance, insurance, and real estate, over 45 percent of unionized workers on extended workweeks received premium wages. However, the percentage of workers on extended workweeks who are union members differed widely from industry to industry, ranging from a low of 8 percent in trade to a high of 47 percent for transportation and public utilities.

While occupational data again supported the finding from the 1974 survey that a greater percentage of union overtime workers received premium pay than nonunion workers, the percentage of union members working extra hours was sometimes low. Less than one-tenth of union workers holding white-collar jobs and less than one-fifth of those engaged in service occupations worked overtime; however, among those that did almost one-half received compensation.

Unionized blue-collar workers were the union members most likely to be working extra hours. In addition, 88 percent received extra benefits for overtime work. On the other hand, farmworkers were least affected by union membership; even among the few who were unionized, only a handful who worked overtime received extra benefits.

Industry variations

Significant differences in the use of overtime and in the payment of a premium for it are found when interindustry comparisons are made. The likelihood of a person working overtime was not much different in the goods-producing (24 percent) and the service-producing (19 percent) sectors; however, the payment of premium pay in the two sectors differed widely. In the goods-producing industries, over three-fifths of the overtime workers received extra compensation; in comparison hardly more than one quarter of the overtime workers in the service-producing industries received extra compensation. (See table 6.)

The proportion of workers in the construction industry receiving premium pay for overtime work shows wide cyclical fluctuation. (See table 6.) From a 60-percent level in 1969 and 1970, this proportion fell substantially during the next 2 years—in May 1972 it averaged only 49 percent—but rebounded a

bit in 1973 only to dip once more in 1974.

The trend in the receipt of premium pay for overtime work in manufacturing shows a high degree of uniformity. In May 1974, 24 percent of the workers put in extra hours, a decline over the percentage working overtime in 1972 and 1973; however, the proportion receiving premium pay remained close to 70 percent over the same 3-year period.

In the service and finance industry—which has posted large gains in employment over the past few years—the percentage of employees working overtime has edged down, while the percentage receiving premium pay has moved up gradually since May 1969. (See table 6.) The Fair Labor Standards Act, which requires premium pay for overtime for certain groups of workers, was extended in 1967 to large segments of the service-producing industries. The slow, secular decline of the average workweek in services is due to the increasing use of part-time workers; a corresponding decline in the percentage working overtime in trade has taken place for the same reason.

Table 5. Union-nonunion differences in extent of overtime work and receipt of premium pay, May 1974

[In percent]

Characteristic	Overtime union workers as a percent of all workers	Union members who worked overtime and received premium pay	Nonunion workers who worked overtime and received premium pay
Total who worked 41 hours or more:			
Number (in thousands)	3,509	2,662	4,043
Percent	21 7	75 9	32 0
Usually worked overtime	16 4	65 9	25 7
Worked 41 to 48 hours	27 0	81 7	43 2
Worked 49 to 59 hours	19 6	71 5	28 6
Worked 60 hours or more	12 9	58 7	15 4
OCCUPATION			
White collar	9 6	46 1	19 2
Professional and technical	12 4	22 5	17 3
Manager and administrator	5 5	35 6	9 4
Sales	3 4	42 9	11 1
Clerical	17 6	87 7	55 3
Blue collar	38 8	87 6	59 7
Craft and kindred	34 0	89 5	55 1
Operative, except transport	45 0	94 0	77 9
Transport	40 4	66 3	46 9
Nonfarm laborer	37 4	92 4	50 0
Service	18 0	47 0	25 8
Farm	1 4		5 9
INDUSTRY			
Goods-producing	31 0	90 5	49 2
Agriculture	1 6		8 2
Forestry, fishing, and mining	26 9	89 2	54 6
Construction	24 5	77 3	45 9
Manufacturing	35 3	92 4	55 9
Service-producing	15 4	55 8	22 4
Transportation and public utilities	47 0	73 7	36 0
Trade	8 1	72 6	24 8
Finance and service	10 3	26 1	17 1
Public administration	29 3	46 2	29 5

Occupational patterns

The proportion of employees working long hours with premium pay also varies widely among the major occupation groups. The percentage of workers in white-collar occupations in May 1974 was about 21 percent, a level that has held fairly consistently since May 1969; however, the proportion receiving premium pay, at 22 percent, has shown a modest rise since May 1971, returning to a prerecession level. (See table 7.)

About 40 percent of managers and administrators were working extended hours in May 1974, yet only a tenth were compensated with premium pay. In general, these workers tend to be influenced by advancement possibilities and long-run monetary goals rather than the immediate payment of premiums for extra hours. Nearly a quarter of the professional and technical workers put in long hours but only 18 percent were compensated for the overtime.

Among sales persons, 22 percent worked extra hours in May, but only 12 percent received special remuneration. Of course, some sales persons receive a commission in addition to their regular salary or wage; this type of pay scheme can be viewed as a substitute for overtime premiums. The average retail clerk, however, would tend to view overtime work as an important additional source of income, but few have the opportunity to work more than 40 hours a week. (Large numbers are part-time employees.)

The experience of clerical workers with premium pay provides a sharp contrast to that of the rest of the white-collar workers. Though less than 10 percent of all clerical workers were on extended workweeks, three-fifths of those that did work overtime received premium pay, mostly because overtime legislation, along with union contracts, are likely to require such payments to clerical workers.

As already mentioned, a higher proportion of blue-collar workers on overtime received overtime compensation than did any other occupational group; in May 1974, as has been the case in other recent years, almost one quarter were on overtime, with 70 percent of them receiving premium pay. (See table 7.)

Within the blue-collar group, the most likely recipients of premiums were operatives of machines

Table 6. Industry differences in percentages of overtime workers and in receipt of premium pay

[In percent]

Industry	Workers with overtime						Overtime workers receiving premium pay					
	May 1969	May 1970	May 1971	May 1972	May 1973	May 1974	May 1969	May 1970	May 1971	May 1972	May 1973	May 1974
Goods-producing industries	28.6	25.5	25.3	27.3	28.3	25.8	64.2	61.5	59.1	62.7	64.9	61.9
Agriculture	40.7	40.7	39.8	36.3	37.5	37.9	4.9	8.4	6.5	9.4	6.7	8.1
Forestry, fisheries, and mining	34.7	33.3	35.9	30.9	34.5	35.9	58.9	60.7	59.8	64.9	61.7	64.1
Construction	21.2	20.8	19.6	19.0	19.8	18.8	60.9	59.9	52.7	48.5	56.6	53.6
Manufacturing	26.9	23.0	22.9	26.0	27.0	24.0	70.7	67.6	66.4	69.7	71.5	68.8
Service-producing industries	27.5	26.0	26.1	29.9	26.2	25.0	27.0	26.8	23.8	26.5	26.4	27.5
Transportation and public utilities	26.0	24.9	23.1	24.7	22.6	21.9	58.0	59.4	50.7	52.9	54.9	53.7
Trade	26.9	24.9	25.6	25.5	25.1	23.5	28.6	26.6	24.2	28.1	26.7	28.6
Service and finance	19.9	18.1	18.3	18.1	17.3	16.8	15.4	15.1	15.2	15.9	16.6	18.1
Public administration	13.6	13.1	13.7	15.6	14.3	14.7	32.9	38.2	28.8	34.7	38.0	34.4

Table 7. Occupational differences in percentages of overtime workers and in receipt of premium pay

[In percent]

Occupation	Workers with overtime						Overtime workers receiving premium pay					
	May 1969	May 1970	May 1971	May 1972	May 1973	May 1974	May 1969	May 1970	May 1971	May 1972	May 1973	May 1974
White collar	23.0	21.5	22.0	22.8	22.0	21.3	22.5	21.2	18.1	21.0	20.7	21.8
Professional and technical	27.8	26.1	25.4	25.8	23.8	24.0	16.1	15.7	13.9	15.2	15.3	17.9
Manager and administrator	40.3	38.6	41.8	43.8	42.2	40.4	12.0	11.9	8.9	10.8	11.1	10.8
Clerical	10.8	9.3	8.6	9.6	9.5	9.3	60.3	59.0	56.0	62.3	60.5	60.9
Sales	25.9	23.4	24.8	26.7	25.6	22.4	12.9	10.9	12.2	12.4	11.2	12.1
Blue collar	26.8	23.5	23.3	24.8	25.6	23.1	71.5	70.8	67.7	69.9	72.2	70.5
Craft and kindred	31.0	28.2	26.1	27.6	29.1	27.0	67.9	66.4	63.7	65.6	66.4	66.8
Operative [1]	26.6	22.0	23.9	25.8	25.3	22.5	75.5	74.3	71.5	73.8	78.0	74.8
Nonfarm laborer	16.7	16.8	14.5	15.1	17.8	15.0	64.7	72.6	64.9	67.8	69.0	65.9
Service	15.6	14.2	14.1	13.4	12.8	11.5	24.2	24.5	24.2	26.1	24.7	29.6
Farm	42.3	43.8	41.7	38.8	39.2	42.1	4.2	4.8	3.8	8.1	3.9	5.9

[1] Represents the sum of operatives except transport and transport equipment operatives.

other than transportation equipment,[8] with 85 percent receiving premium pay for their extra hours in May 1974. Transportation equipment operatives, on the other hand, were far below the average blue-collar worker in the receipt of premium pay—only 55 percent reported receiving premiums. This probably results from a large proportion of these workers being drivers of trucks and taxicabs, for whom long hours are often an accepted part of the normal routine.

In May 1974, 27 percent of all craft and kindred workers put in extra hours, and, of these, approximately two-thirds received premium pay. In the remaining blue-collar group, the premium pay experience for nonfarm laborers is similar to that of most other blue-collar workers; although only a small percentage, 15 percent, put in long workweeks, two-thirds of those who did received premiums.

Even though many service workers are likely to be employed by small establishments that are seldom unionized, overtime statutes have broadened somewhat, enabling more of these workers to receive premium pay. Of the service workers on extra hours, only 15 percent received premium pay in 1967 but by May 1974 this figure had almost doubled. However, the proportion working overtime has been gradually declining, from 16 percent in May 1969 to 12 percent in May 1974. In the last major group to be considered, wage and salary farmworkers, the proportion receiving premium pay for overtime work has not reached one-tenth in recent years.

THE OVERTIME PATTERN is a complex one, subject to the needs of both employee and employer. Through time, this work pattern has reflected and will continue to reflect changes in product demand, the resources and technology for production, and the working practices that have developed to meet personal, employer, and union interest and pressures. □

FOOTNOTES

[1] For articles on overtime hours, premium pay, and related material, see James R. Wetzel, "Long hours and premium pay," *Monthly Labor Review*, September 1965, pp. 1083–88; James R. Wetzel, "Overtime hours and premium pay, May 1965," *Monthly Labor Review*, September 1966, pp. 973–77; James R. Wetzel, "Overtime hours and premium pay," *Monthly Labor Review*, May 1967, pp. 41–45; John Fenlon, "Patterns in overtime hours and premiums," *Monthly Labor Review*, October 1969, pp. 42–46; and John Fenlon, "Recent trends in overtime hours and premium pay," *Monthly Labor Review*, August 1971, pp. 29–35.

[2] Data on the overtime work force and receipt of premium pay are collected each May as a supplement to the monthly Current Population Survey, which is conducted by the Bureau of the Census for the Bureau of Labor Statistics. This information applies to all wage and salary workers with one job who worked 41 hours or more on their primary job during the reference week. These survey data are obtained by asking, in brief: (1) Did (this person) work over 40 hours last week?; (2) Did (this person) work for one employer last week?; (3) Did (this person) get a higher rate of pay, such as time and a half or double time for the hours he worked over 40?; (4) How many hours per week does (this person) usually work at this job?; and (5) Does (this person) belong to a labor union?

[3] All hours in excess of 40 are referred to interchangeably as either "overtime," "extra," "extended," or "long" hours. The terms "premium pay," "extra compensation," "extra pay," and "premiums," are used interchangeably to refer to the receipt of a higher rate of pay, such as time and a half or double time, for hours worked over 40 during the reference week.

[4] The household survey measures hours actually worked, whereas the payroll survey measures hours paid for by employers. In the latter survey, the average overtime hours are computed by dividing the total overtime hours by the total number of production workers, including those with no overtime work. For a further explanation of concepts and methods used in these surveys, consult any recent issue of *Employment and Earnings*.

[5] For a detailed discussion of the major revisions in the Federal minimum wage law, see Peyton Elder, "The 1974 amendments to the Federal minimum wage law," *Monthly Labor Review*, July 1974, pp. 33–37.

[6] See Geoffrey H. Moore and Janice Neipert Hedges, "Trends in labor and leisure," *Monthly Labor Review*, February 1971, pp. 3–11.

[7] Goods-producing industries include agriculture, mining, construction, manufacturing, and forestry and fisheries. Service-producing industries include transportation and public utilities, finance, insurance and real estate, service, public administration, and trade.

[8] In 1972, the operatives category was split into two occupational groups: (1) operatives, except transport and (2) transport equipment operatives.

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Appendix

This report contains, in addition to the article from the February 1975 issue of the Monthly Labor Review, the following material:

Supplementary tables:

A. Proportion of overtime workers receiving premium pay, by industry and hours worked, May 1974.
B. Proportion of overtime workers receiving premium pay, by occupation and hours worked, May 1974.

Table A. Proportion of overtime workers receiving premium pay, by industry and hours worked, May 1974

(Numbers in thousands)

Industry	Worked 41 to 48 hours		Worked 49 to 59 hours		Worked 60 or more hours	
	Total worked overtime	Percent receiving premium pay	Total worked overtime	Percent receiving premium pay	Total worked overtime	Percent receiving premium pay
Total	7,504	53.6	5,439	37.0	3,200	21.0
Goods-producing industries	3,331	71.9	2,189	58.2	1,047	38.1
Agriculture	98	16.3	130	8.5	278	4.7
Forestry, fisheries and mining	86	67.4	85	64.7	72	58.3
Construction	385	56.4	322	57.1	155	38.7
Manufacturing	2,762	76.1	1,653	61.9	542	52.2
Service-producing industries	4,173	39.0	3,251	22.7	2,153	12.7
Transportation and public utilities	508	67.9	405	48.9	282	35.1
Trade	1,614	40.0	1,176	25.4	738	8.8
Service and finance	1,716	28.3	1,446	13.4	1,011	7.3
Public administration	334	44.6	223	22.0	122	29.5

Table B. Proportion of overtime workers receiving premium pay, by occupation and hours worked, May 1974

(Numbers in thousands)

Occupation	Worked 41 to 48 hours		Worked 49 to 59 hours		Worked 60 or more hours	
	Total worked overtime	Percent recieving premium pay	Total worked overtime	Percent receiving premium pay	Total worked overtime	Percent receiving premium pay
Total	7,504	53.6	5,439	37.0	3,200	21.0
White collar	3,247	34.1	2,909	16.3	1,833	8.6
Professional and technical	1,039	24.8	1,063	15.0	603	11.1
Managers and administrators	906	18.0	1,144	9.9	878	4.7
Clerical	939	65.5	293	52.2	102	44.1
Sales	363	19.8	409	11.7	250	1.6
Blue collar	3,559	75.6	2,077	69.2	867	52.4
Craft and kindred	1,495	69.4	947	67.7	384	54.7
Operatives[1]	1,680	82.3	950	72.4	415	49.4
Nonfarm laborers	384	70.1	180	60.6	68	57.4
Service	618	33.8	343	28.9	248	20.2

[1] Represents the sum of operatives except transport and transport equipment operatives.

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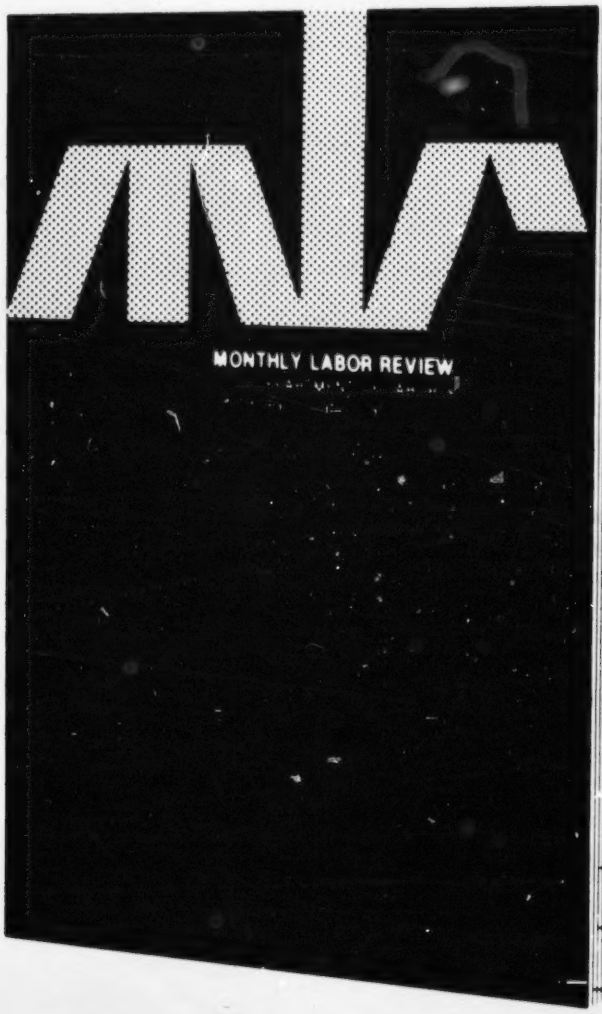

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